



January 12, 2012

Assembly Committee on Colleges and Universities

Assembly Bill 398

Representative Peter Barca

Chairman Nass and members of the Assembly Committee on Colleges and Universities; thank you for holding a public hearing on Assembly Bill 398, which will create a Workforce Growth competitive grant program through the state technical college system.

As we have heard from companies across the state, one of the most important things we can do to get our economy back on track is to address the skills gap we current face. Despite high unemployment, many companies across our state are struggling to hire qualified workers.

I serve as a board member for the Wisconsin Economic Development Corporation. As we meet with business leaders statewide, one of their top concerns is an inability to find workers who possess the skills needed to fill these positions. Prominent manufacturers have even gone as far as buying full-page newspaper advertisements to seek qualified individuals.

A recent WMC Economic Outlook Survey found that 65% of businesses that are having trouble hiring said that the problem was a “lack of qualified applicants and education” (Question 19). According to the same question, 0% found that the problem was due to a “labor shortage.” We have the people we need; they just need training.

This bill creates a Workforce Growth program under the Wisconsin Technical College System (WTCS). This would be a competitive grant program similar to the successful WAT Grant model and would attempt to relieve capacity issues in high-growth, high-demand industry sectors (ensuring sufficient amounts of classes, classroom space, equipment or instructors are available to meet demand) and pipeline issues (making training more affordable, encouraging individuals to seek training in high-demand industries).

Under the program, a business, a consortium of multiple businesses, a workforce development board or an economic development organization would partner with the local technical college to apply to WTCS through a competitive grant process for workforce growth funding to meet their local skilled worker training needs.

Funding could be used for training scholarships, building/infrastructure construction, purchasing equipment, cost recovery for hiring faculty, curriculum development in partnership with industry and aligned with industry standards leading to a certificate or degree, or student career support services, including job placement and business recruitment.

The criteria used by WTCS to determine grant recipients will emphasize projects that focus on sectors that the WTCS determines to have a high employment demand, including manufacturing, energy, information technology, skilled trades or health care; eliminating waiting lists in high-demand sectors/job types; and the speed by which training or activities performed under the program could result in job-ready skilled workers.

At a time when we needed worker training and education more than ever, the current budget cut funding for state technical colleges by \$71 million, nearly a third of the system's total budget. While this program does not begin to restore that funding, it does provide a targeted process, driven by the needs of businesses, to address the gap between workers and jobs.

Our governor has recently expressed a renewed interest in worker training issues. However, the resources necessary to actually train workers are notably absent from the proposals. I don't necessarily oppose these ideas, but they do not go far enough. The proposals identify both sides of the gap but do not provide the bridge between the two. I believe the Workforce Growth program can be an important first step in building that bridge.

Thank you for your time today and I would appreciate your support when Assembly Bill 398 comes for a vote before this committee.

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